



DEPARTMENT OF COMMERCE

International Trade Administration

[C-570-094]

Refillable Stainless Steel Kegs from the People's Republic of China: Preliminary Results of Countervailing Duty Administrative Review, Rescission of Review in Part; 2020

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: The U.S. Department of Commerce (Commerce) preliminarily determines that certain producers/exporters of refillable stainless steel kegs (kegs) from the People's Republic of China (China) received countervailable subsidies during the period of review (POR) from January 1, 2020, through December 31, 2020. In addition, we are rescinding the review with respect to 35 companies. Interested parties are invited to comment on these preliminary results.

DATES: Applicable [Insert Date of Publication in the *Federal Register*].

FOR FURTHER INFORMATION CONTACT: Theodore Pearson, AD/CVD Operations, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-2631.

Background

On February 4, 2022, Commerce published the notice of initiation of an administrative review of the countervailing duty (CVD) order on kegs from China.¹ On August 1, 2022, Commerce extended the deadline for the preliminary results of this administrative review by 105 days, until December 16, 2022.²

¹ See *Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 87 FR 6487 (February 4, 2022) (*Initiation Notice*).

² See Memorandum, "Extension of Deadline for Preliminary Results of Countervailing Duty Administrative Review; 2020," dated August 1, 2022.

For a complete description of the events that followed the initiation of this review, *see* the Preliminary Decision Memorandum.³ A list of topics discussed in the Preliminary Decision Memorandum is included as the appendix to this notice. The Preliminary Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <http://access.trade.gov>. In addition, a complete version of the Preliminary Decision Memorandum can be accessed directly at <https://access.trade.gov/public/FRNoticesListLayout.aspx>.

Scope of the Order

The products covered by the order are kegs. For a complete description of the scope, *see* the Preliminary Decision Memorandum.⁴

Methodology

Commerce is conducting this administrative review in accordance with section 751(a)(1)(A) of the Tariff Act of 1930, as amended (the Act). For each subsidy program found countervailable, we preliminarily find that there is a subsidy, (*i.e.*, a government-provided financial contribution that gives rise to a benefit to the recipient, and that the subsidy is specific).⁵ For a full description of the methodology underlying our conclusions, including our reliance, in part, on adverse facts available pursuant to sections 776(a) and (b) of the Act, *see* the Preliminary Decision Memorandum.

Rescission of Administrative Review, in Part

Pursuant to 19 CFR 351.213(d)(1), Commerce will rescind an administrative review, in whole or in part, if the parties that requested a review withdraw the request within 90 days of the date of publication of the notice of initiation. Commerce received a timely-filed withdrawal

³ *See* Memorandum, "Decision Memorandum for the Preliminary Results of Countervailing Duty Administrative Review, Rescission of Review in Part, 2020: Refillable Stainless Steel Kegs from the People's Republic of China," dated concurrently with, and hereby adopted by, this notice (Preliminary Decision Memorandum).

⁴ *See* Preliminary Decision Memorandum.

⁵ *See* sections 771(5)(B) and (D) of the Act regarding financial contribution; section 771(5)(E) of the Act regarding benefit; and section 771(5A) of the Act regarding specificity.

request with respect to 37 companies from American Keg Company (the petitioner).⁶ Of the 37 companies, two companies, Guangzhou Jingye Machinery Co., Ltd. (Jingye) and Guangzhou Ulix Industrial & Trading Co., Ltd. (Ulix), filed requests for review of themselves which were not withdrawn.⁷ Because the withdrawal request from the petitioner was timely filed, and no other parties requested a review of the other 35 companies, in accordance with 19 CFR 351.213(d)(1), Commerce is rescinding this review of the Order with respect to the 35 companies. For a complete list of the companies, *see* Appendix to the Preliminary Decision Memorandum.

Preliminary Rate for Non-Selected Companies Under Review

There are two companies, Jingye and Ulix, for which a review was requested and not rescinded, and which were not selected as mandatory respondents or found to be cross-owned with a mandatory respondent. The statute and Commerce's regulations do not directly address the establishment of rates to be applied to companies not selected for individual examination where Commerce limits its examination in an administrative review pursuant to section 777A(e)(2) of the Act. However, Commerce normally determines the rates for non-selected companies in reviews in a manner that is consistent with section 705(c)(5) of the Act, which provides the basis for calculating the all-others rate in an investigation.

Section 705(c)(5)(A)(i) of the Act instructs Commerce, as a general rule, to calculate an all-others rate equal to the weighted average of the countervailable subsidy rates established for exporters and/or producers individually examined, excluding any rates that are zero, *de minimis*, or based entirely on facts available. In this review, the preliminary rate calculated for Ningbo Master International Trade Co., Ltd. (Ningbo Master), the sole mandatory respondent, was not zero, *de minimis*, or based entirely on facts available. Therefore, for the companies for which a review was requested that were not selected as mandatory company respondents, and for which

⁶ See Petitioner's Letter, "Withdrawal of Request for Administrative Review," dated April 20, 2022.

⁷ See Ulix and Jingye's Letter, "Request for Administrative Review," dated January 3, 2022.

Commerce did not receive a timely request for withdrawal of review, Commerce based the preliminary subsidy rate on the preliminary rate calculated for Ningbo Master.

Preliminary Results of Review

We preliminarily find the following net countervailable subsidy rates for the period January 1, 2020, through December 31, 2020, are as follows:

Manufacturer/Exporter	Subsidy Rate (percent <i>ad valorem</i>)
Ningbo Master International Trade Co., Ltd. ⁸	5.13
Review-Specific Average Rate Applicable to the Following Companies⁹	
Guangzhou Jingye Machinery Co., Ltd.	5.13
Guangzhou Ulix Industrial & Trading Co., Ltd.	5.13

Disclosure and Public Comment

We will disclose to parties in this review, the calculations performed for these preliminary results within five days after the date of publication of this notice.¹⁰ Interested parties case briefs no later than 30 days after the date of publication of these preliminary results of review.¹¹ Rebuttals to case briefs may be filed no later than seven days after the case briefs are filed, and all rebuttal comments must be limited to comments raised in the case briefs.¹²

⁸ Cross-owned affiliates are: Ningbo Major Draft Beer Equipment Co., Ltd. and Zhejiang Major Technology Co., Ltd.

⁹ This rate is based on the rate for the respondent that was selected for individual review, excluding rates that are zero, *de minimis*, or based entirely on facts available. See section 735(c)(5)(A) of the Act.

¹⁰ See 19 CFR 351.224(b).

¹¹ See 19 CFR 351.309(c).

¹² See 19 CFR 351.309(d).

Note that Commerce has temporarily modified certain of its requirements for serving documents containing business proprietary information until further notice.¹³

Pursuant to 19 CFR 351.309(c)(2) and (d)(2), parties who submit case briefs or rebuttal briefs in this review are encouraged to submit with each argument: (1) a statement of the issue; (2) a brief summary of the argument; and (3) a table of authorities.

Pursuant to 19 CFR 351.310(c), interested parties who wish to request a hearing, limited to issues raised in the case and rebuttal briefs, must submit a written request to the Assistant Secretary for Enforcement and Compliance, U.S. Department of Commerce, filed electronically using ACCESS. An electronically-filed request must be received successfully, and in its entirety, by ACCESS by 5:00 p.m. Eastern Time, within 30 days after the date of publication of this notice. Hearing requests should contain the party's name, address, and telephone number, the number of participants, whether any participant is a foreign national, and a list of the issues to be discussed. If a request for a hearing is made, parties will be notified of the date and time for the hearing to be determined.

Unless extended, we intend to issue the final results of this administrative review, which will include the results of our analysis of the issues raised in the case briefs, within 120 days of publication of these preliminary results in the *Federal Register*, pursuant to section 751(a)(3)(A) of the Act and 19 CFR 351.213(h).

Cash Deposit Requirements

Pursuant to section 751(a)(2)(C) of the Act, Commerce intends, upon publication of the final results, to instruct CBP to collect cash deposits of estimated countervailing duties in the amounts shown for each of the respondents listed above on shipments of subject merchandise entered, or withdrawn from warehouse, for consumption on or after the date of publication of the final results of this administrative review. If the rate calculated in the final results is zero or *de*

¹³ See *Temporary Rule Modifying AD/CVD Service Requirements Due to COVID-19; Extension of Effective Period*, 85 FR 29615 (May 18, 2020); and *Temporary Rule Modifying AD/CVD Service Requirements Due to COVID-19; Extension of Effective Period*, 85 FR 41363 (July 10, 2020).

minimis, no cash deposit will be required on shipments of the subject merchandise entered or withdrawn from warehouse, for consumption on or after the date of publication of the final results of this review.

For all non-reviewed firms, CBP will continue to collect cash deposits of estimated countervailing duties at the all-others rate or the most recent company-specific rate applicable to the company, as appropriate. These cash deposit requirements, when imposed, shall remain in effect until further notice.

Assessment Rates

In accordance with 19 CFR 351.221(b)(4)(i), we preliminarily assigned subsidy rates in the amounts shown above for the producers/exporters shown above. Upon completion of the administrative review, consistent with section 751(a)(1) of the Act and 19 CFR 351.212(b)(2), Commerce shall determine, and CBP shall assess, countervailing duties on all appropriate entries covered by this review. We intend to issue assessment instructions to CBP no earlier than 35 days after the date of publication of the final results of this review in the *Federal Register*. If a timely summons is filed at the U.S. Court of International Trade, the assessment instructions will direct CBP not to liquidate relevant entries until the time for parties to file a request for a statutory injunction has expired (*i.e.*, within 90 days of publication).

For the companies for which this review is rescinded, we will instruct CBP to assess countervailing duties on all appropriate entries at a rate equal to the cash deposit of estimated countervailing duties required at the time of entry, or withdrawal from warehouse, for consumption, during the period January 1, 2020, through December 31, 2020, in accordance with 19 CFR 351.212(c)(1)(i).

Notification to Interested Parties

These preliminary results and notice are issued and published in accordance with sections 751(a)(1) and 777(i)(1) of the Act, and 19 CFR 351.213 and 351.221(b)(4).

Dated: December 14, 2022.

Ryan Majerus,
Deputy Assistant Secretary
for Policy and Negotiations.

Appendix

List of Topics Discussed in the Preliminary Decision Memorandum

- I. Summary
- II. Background
- III. Scope of the *Order*
- IV. Partial Rescission of Administrative Review
- V. Non-Selected Companies Under Review
- VI. Diversification of China's Economy
- VII. Use of Facts Otherwise Available and Application of Adverse Inferences
- VIII. Subsidies Valuation
- IX. Interest Rate, Discount Rate, Input, and Electricity Benchmarks
- X. Analysis of Programs
- XI. Recommendation

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